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HIGH-TECH PUBLIC RELATIONS
An Upstart Matures

Making the Corporate Strategic Connection
Earth Day Spawns "Feeding Frenzy"
New FDA Guidelines: Truth or Consequences

PUBLIC RELATIONS JOURNAL

February 1990 Vol. 46 No. 2

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There's much talk of results-oriented, strategic corporate public relations. But how do companies really go about developing and implementing such programs? A counselor who's headed public relations for several NYSE-listed companies outlines what's necessary for strategic success and one company's step-by-step approach. *Philip J. Webster, APR*

22 High-Tech: An Upstart Matures

Not so long ago, deluging the press with product releases used to be enough to make it in the booming high-tech industry. Now, practitioners are in greater demand, but they're also struggling to create ever more sophisticated publicity strategies and to take on new functions ranging from crisis communications to government relations. *Catherine M. Eilts, APR*

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A tough—and important—place to be

It's hard not to be demoralized by all of the articles and reports we read that contrast the economy and competitiveness of Japan with that of the United States. One of the key areas of focus, of course, is the high-tech sector. Will Japan yet again beat us at a game that we once believed was our own?

Public relations professionals can't make a better microchip. But, as Catherine M. Eilts, APR, points out in her feature on the new realities of high-tech PR *(page 22)*, they can and are playing increasingly important roles in getting the word out about new products in an environment where just being new isn't enough anymore. They're also being called upon to help high-tech management cope with the growing demands of communities, governments and employees, as well as the potential negative side effects and ethical dilemmas associated with revolutionary technologies. Perhaps, in addition to all of this, they can help convince the administration that, instead of withdrawing support for the high-tech industry, it should be throwing the federal government's support in that direction at this very crucial competitive turning point . . .

Lots of people *talk* about making public relations a strategic, results-generating force within corporations, but few have had more experience in implementing that goal than Philip J. Webster, APR. Webster, who helped it happen at Scott Paper Company and other NYSE-listed companies, puts the basic ingredients in a nutshell and shows how strategic public relations *can* pay off in millions of dollars of savings and increased revenue *(page 18)* . . .

How many of you remember the first Earth Day? Twenty years really isn't that long ago, but the event, though relatively successful, certainly didn't make an indelible mark upon the public consciousness in 1970. Times change, however. If you haven't yet gotten your management or clients involved in Earth Day 1990, you'd better read the Briefing that starts on page 9 . . . quickly . . .

We here at *PRJ* would like to thank all of our contributors, and all of you who have written and called to offer congratulations on the special January issue, "What's Ahead in the 1990s." The response has been rapid, extremely gratifying and much appreciated.

Karlene Lukovitz,
Editor

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The Public Relations Society of America (PRSA) is an individual membership professional society of 14,983 public relations practitioners. Its major services to members include programs of Professional Development and Accreditation, an Information Center, publications, tracking of issues of national concern, and promotion of ethical practice through adherence to PRSA's "Code of Professional Standards." PRSA's mission is "To serve the public need for understanding and cooperation among its diverse interests by fostering high professional and ethical standards for all those practicing public relations."

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Survey: CEO speechwriters' median salary is $75,000

Senior writers have considerable influence with top management

Almost one-third of Fortune 250 companies report having a "chief executive speechwriter" whose main responsibility is writing speeches for CEOs, according to a survey of corporate speechwriters. More than half of these speechwriters earn at least $90,000 and "hold positions of genuine power in their organizations." The median base salary for respondents is $75,000.

The 25-question survey, responded to by all but one of the Fortune 250, was conducted recently by Fairfax, Virginia-based Quarles & Associates, for Allen Miller, manager of public relations at Corning Incorporated. Its purpose was to gain insight into the speechwriting function and provide corporate practitioners with benchmarks by which they could measure themselves.

The study found that larger companies with active CEOs and those that market products or services to other businesses are most likely to have executive speechwriters. More than half (53 percent) of the top 49 firms in the Fortune 250, for example, report having such a position. Among responding business-to-business companies, 77 percent of computer firms and 53 percent of aerospace companies have executive speechwriters on staff.

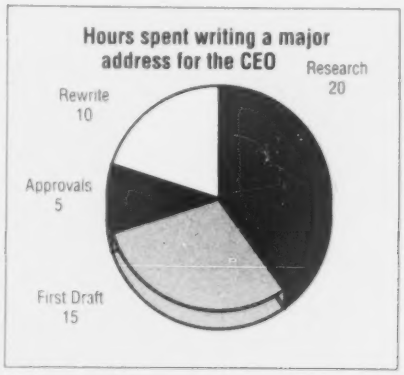
Nearly half (49 percent) of the companies that reported they don't have a CEO speechwriter said that "no specific person" writes the speeches (30 percent) or that the CEO writes his or her own speeches (19 percent). Other job descriptions of those who write CEO speeches include corporate communications (30 percent), executive communication or speechwriting (12 percent), public relations (7 percent), editorial services (2 percent) and public affairs (1 percent).

Access and influence

According to the survey, CEO speechwriters fall into two categories: senior people who report to the vice presidential level or higher, and mid-level people who report to managers or directors. "Senior speechwriters are members of senior management who have relatively easy access to the CEO and often act as advisors," the study concludes. "Many appear to have considerable influence."

Most of the responding speechwriters said they prepare an average of 30 speeches per year. Almost nine out of 10 (88 percent) said CEOs give them feedback on the text of the speech, while 59 percent reported getting feedback on the actual delivery.

The survey asked speechwriters how much time they spend on a major address. "On average," the report concluded, "chief executive speechwriters spend 20 hours on research, 15 hours writing the first draft, 10 hours rewriting, and five hours getting approvals."



The report concluded that chief executive speechwriters spend an average of 50 hours on a major address.

Lower pay for women

The study also revealed that responding women speechwriters earn lower salaries and are less likely to be senior staff members than their male counterparts. Seven out of 10 chief executive speechwriters are men, the report noted. Men hold the position in 81 percent of the top-ranked 49 companies and 75 percent of the next 50. "Women are particularly likely to hold the lower-paid staff positions in the public relations and editorial services department," the survey concluded.

Only 26 percent of participating women speechwriters earn $75,000 or more, compared to 57 percent of male speechwriters. In addition, 21 percent of male speechwriters earn more than $105,000; no women surveyed earned that much.

The study noted, however, that salaries are closely tied to years of experience. "Women are not paid as well partly because they are relative newcomers," it stated. "Forty percent of women have less than 10 years of experience, compared to 9 percent of men." □

Base salary levels, CEO speechwriters

	Yrs communications experience			
	12 or more	15 or more	18 or more	20 or more
	%	%	%	%
Less than $45,000	3	4	4	5
$45,000 to $59,999	13	7	4	5
$60,000 to $74,999	23	21	21	10
$75,000 to $89,999	19	21	25	25
$90,000 to $104,999	19	21	17	20
$105,000 to $119,999	7	7	8	10
$120,000 to $134,999	10	11	13	15
$135,000 or more	7	7	8	10
(Base)	(31)	(28)	(24)	(20)

Salary levels for CEO speechwriters are closely tied to years of experience.

Graph/Chart: Quarles & Associates

Photo: Snyder of Berlin

Couch potatoes unite

To help Snyder of Berlin launch its new kettle-cooked potato chips, Marcus Public Relations, Cleveland, cooked up an attention-getting publicity stunt viewed by 40,000 visitors who attended Pittsburgh's Fall Home Show: a seven-foot "potato couch" made of more than 500 potatoes. "We were tired of the old couch potato stereotype," says Dan Hummel, Snyder's director of marketing. "We wanted people to know that snacking is great."

company's stock, "the best thing you can do is be prepared and know why your stock is active." He advocates a direct approach when responding to rumors. "Deny them if they're false and tell the truth if they're true," he says, citing this as the New York Stock Exchange guideline. Panelists warned that reporters who don't get immediate answers will go to other sources.

Analysts can "break a deal"

Analysts are often consulted by the press as a source of information about technical aspects of the takeover, such as the pricing of the offering. "The analysts have a very important impact," explains Kekst & Company partner Andrew R. Baer. "They can often make or break a deal... It's very difficult for companies that haven't laid the groundwork to deal with analysts in a takeover situation." He advises establishing these important relationships well before any threat looms on the horizon.

In addition, new and not always friendly constituencies are present, such as arbitrageurs who seek to reap large profits by taking short-term positions in the stock. They may attempt to influence the press as one tactic toward attaining this goal.

Bryan Burrough, a *WSJ* staff reporter, notes that, before coming to New York, he had "a suspicion that the takeover folk are a very small fraternity" sharing information among themselves. "When I came to Wall Street I found out it was true," he says. Burrough advises investor relations practitioners to make it their business to know who is in that fraternity, and what power it has in the event a takeover bid is made against their companies.

Influence of media specialists

Because the press is so important in a takeover, the media is exposed to certain influences and pressures that might not otherwise be present in the day-to-day practice of their craft. Dean Rotbart, editor for TJFR Publishing Company and a former *WSJ* writer, raised the issue of the increasing proliferation of takeover media specialists, who are paid enormous sums to influence the press. Business and financial reporters are not always fully cognizant of how they are being subjected to this influence, Rotbart contends.

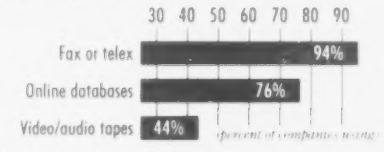
Furthermore, in a takeover situation, there is a wider range of talent and degree of understanding than usual among reporters covering the event. While some reporters may be highly experienced in dealing with financial and legal matters, others "wouldn't know a takeover from a turnover," according to Baer, who points out that past relationships with reporters may be meaningless if a whole new set of faces is introduced to cover the story during the takeover bid.

Likewise, on the company side, senior managers who are enormously competent at running the business are suddenly thrust into a situation with which they have little experience, which is highly pressured and difficult to understand. Public or investor relations practitioners, therefore, may find themselves in a position of educator, as well as communicator, during a takeover bid.—*Mary Lowengard*

IR pros bullish on faxes, videos, databases

NIRI survey reveals sharp rise in usage

The use of facsimile machines, online databases and videos by investor relations professionals to transmit and gather financial information has risen tremendously since 1985, according to the National Investor Relations Institute's (NIRI) 1989 survey of its members. "The mechanics of transmitting data to the investment community have changed dramatically," the survey concludes.



The facsimile machine has emerged as one of the key tools to transmit financial data.

The survey, NIRI's first since 1985, provides information on many of the issues and trends facing the IR specialty, including IR activities, salaries and budgets, and management's perception of the function. Nearly half (44 percent) of NIRI's 2,260 members, including both corporate and firm practitioners, responded to the survey.

The fax, which was not even included in the 1985 survey, has emerged as one of the key tools used by IR practitioners. Ninety-four percent of the survey respondents report that they use faxes to transmit financial data. The percentage of NIRI members who use databases as a source of information rose to 76 percent, from 57 percent in 1985. And 44 percent said they now use video/audio tapes to communicate with various publics, up from 15 percent four years ago.

The study also found that nearly 38 percent of NIRI corporate members have financial backgrounds, while 43 percent of the institute's counselor members said they came from public relations positions.

Almost all the respondents (95 percent) said meeting with financial and institutional contacts is their most important job function, followed by working on annual reports (94 percent) and media relations (88 percent). Other key activities are identifying shareholders (75 percent), strategic planning (60 percent) and planning annual meetings (54 percent).

According to the survey, the 1989 average cash salary (including bonus) of NIRI members was $85,800, with corporate practitioners earning an average of $83,300 and firm members, $92,800. The average salary for an IR professional with more than 10 years of experience was $107,600; those with less than two years of experience took home $66,200.

A vital function

More than half the respondents (55 percent) said IR is viewed as a "vital" function by management, while one-third said it is considered a "necessary" function. Fewer than 1 percent indicated that IR could potentially be cut at their companies. One-third (33 percent) said they report to the CFO, while 27 percent said they report to the chairman, president or CEO.

Despite the apparent support from corporate management, IR departments are still very small, with 78 percent of the respondents reporting that their departments have only one or two full-time staff members. The average annual budget for NIRI corporate members was $462,000.

Other study findings:

- The primary site for contact with financial analysts over the past 18 months was New York (82 percent) followed by Boston (66 percent), Chicago (43 percent) and San Francisco (42 percent).
- Sixty-one percent said they put together a written operating plan as part of their job. Of these, 94 percent report that they present this plan to management.
- Most corporate IR programs are not heavily influenced by the fear of takeovers. Forty-six percent of the respondents said there is "no" influence and 48 percent said there is "some." □

Graph: National Investor Relations Institute